

DENNY'S 401(k) PLAN

SUMMARY PLAN DESCRIPTION

Effective May 1, 2007

PLEASE READ THIS BOOKLET CAREFULLY AND KEEP FOR FUTURE
REFERENCE

INTRODUCTION

Denny's Corporation (the "Plan Sponsor") sponsors the Denny's 401(k) Plan (the "Plan") in which Denny's, Inc. (the "Employer") participates. The Plan is designed to allow you to make retirement savings contributions on a tax-favored basis. Denny's may also contribute to your retirement savings account.

This booklet is a Summary Plan Description, or "SPD." It is being furnished to you as a member or beneficiary of the Plan so you will understand the Plan provisions better.

This SPD is a summary. It does not cover all the Plan provisions. You may review a copy of the actual Plan document at Denny's main office. If there are any differences between this SPD and the Plan document, the provisions of the Plan document will control and you should disregard this SPD.

The record keeper and Trustee for the Plan is Wells Fargo. Additional information about the Plan is available on the Wells Fargo Helpline at 1-888-245-9798 or on the Internet at <http://retirementplan.wellsfargo.com>.

JOINING DENNY'S 401(k) RETIREMENT SAVINGS PLAN

Becoming eligible

Generally, most employees of Denny's, Inc. are eligible to participate in the Plan. If you're age 21 or older, and are not an ineligible employee (see below), then you are eligible to make pre-tax contributions to the Plan immediately upon employment. You must complete six months of service to be eligible for Denny's matching contributions.

You may start your retirement savings by making tax-deferred 401(k) contributions from your paycheck on the first day of the payroll period after you have met the Plan's eligibility requirements.

Ineligible individuals

The following individuals are not eligible to participate in the Plan:

- Nonresident aliens;
- Individuals classified as independent contractors by Denny's (even if later reclassified as common law employees);
- Employees whose employment is covered by a collective bargaining arrangement that does not provide for them to participate in this Plan; and
- Leased employees.

Additionally, employees classified as highly compensated employees by the Plan are eligible to make tax-deferred 401(k) contributions to the Plan, but they are not eligible to share in Denny's matching contributions. For this purpose, the Plan treats an employee whose base salary, determined as of the November 1 preceding the plan year or date of hire during the current plan year, exceeds the highly compensated employee dollar limit established by the IRS less \$10,000. This limit is announced annually and is \$100,000 for 2007.

Enrolling in the Plan – What you need to do

If you want to save for retirement by using your 401(k) account, you will need to tell Wells Fargo how much of your eligible pay you want to contribute and how your 401(k) account and contributions should be invested.

Enrolling in the Plan or giving Wells Fargo investment direction for your entire account is easy. Simply call the Wells Fargo Benefits Helpline at 1-888-245-9798 and follow the system's prompts. Call anytime day or night. Representatives are available Monday through Friday, 8 am to 11 pm Eastern Time to answer your questions or guide you through the system.

If you'd prefer to contact Wells Fargo online, log on to their website at <http://retirementplan.wellsfargo.com> and follow the prompts to make your selections.

It's a good idea to have these things handy before you call to enroll or enroll on line:

- Your Social Security number
- Your temporary personal identification number (PIN) (six-digit birth date)
- The amount you want to contribute to the Plan (percentage of eligible pay)
- Your enrollment kit, which includes the Plan's investment fund information

You should be prepared to make decisions concerning how much you would like to contribute to your 401(k) account and how you want to invest your entire account balance. After enrolling, you'll receive a statement in the mail that confirms your enrollment. Be sure to check it carefully and correct any errors by calling the Wells Fargo Benefits Helpline or logging on to the Wells Fargo website.

Your PIN

To enroll in the Plan through the Wells Fargo Benefits Helpline or Wells Fargo website, you'll need a personal identification number, or PIN. The first time you access either system, your temporary PIN will be your birth date. For example, if you were born on March 12, 1968, your PIN would be 031268. When you access the system the first time, you'll be required to change your PIN to a number only you know. You can change your PIN through the Wells Fargo Benefits Helpline. Be sure to choose a PIN that's easy for you to remember but hard for others to guess.

Your beneficiary

When you join the Plan, you must select a beneficiary who will receive your account balance if you die. If you're married, your beneficiary is automatically your spouse, unless your spouse consents in writing to another beneficiary designation. Your spouse's consent must be witnessed by a plan representative or a notary public.

It is important to keep your beneficiary designation current so that after your death your account will be distributed to the person you want to receive it. You cannot name your beneficiary for your account in your will. You are responsible for updating your beneficiary designation as needed.

If you do not properly name a beneficiary, or if your beneficiary does not survive you or cannot be located within one year after your death, then your beneficiary will be determined in accordance with the following hierarchy:

1. Your surviving spouse. If you are not married, then
2. Your children (including adopted children) in equal shares. If any child preceded you in death, then any children of that child will divide up equal shares of the deceased child's portion. If you have no children, then
3. Your parents, in equal shares. If you have no living parents, then
4. Your estate.

Subject to the spousal consent rules, you can change your beneficiary at any time. Call the Wells Fargo Benefits Helpline or visit the website to request a form.

Wells Fargo Benefits Helpline

1-888-245-9798

Wells Fargo website

<http://retirementplan.wellsfargo.com>

THE BEFORE-TAX ADVANTAGE OF CONTRIBUTING TO THE PLAN

How much can you contribute?

You can contribute as little as 1% or as much as 25% of your eligible pay to the Plan. However, the Internal Revenue Code (“Code”) places dollar limits on the amount of money you can save in a 401(k) plan before taxes each year. The maximum amount is \$15,500 for 2007. This amount is adjusted annually by the IRS for cost-of-living increases.

In addition, if you will attain age 50 by the end of the year and you have otherwise maximized your contribution in accordance with rules prescribed by the Plan or by the Code, then you may be eligible for an additional “catch-up” contribution. The “catch-up” contribution is limited to \$5,000 in 2007. This amount is adjusted annually by the IRS for cost-of-living increases.

For more information about Code and Plan limits, call the Wells Fargo Benefits Helpline or log on to Wells Fargo website.

Before-tax contributions

When you participate by making contributions to your 401(k) account, your contributions are deducted from your eligible pay (see page 7) before federal income taxes (and, in most cases, state and local taxes) are taken out. By saving with before-tax dollars, you reduce your taxable income and, in turn, pay less in taxes than if you saved with after-tax dollars.

Below is an example of the power of saving before taxes. Assume James is single, earns \$30,000 a year, and contributes 4% of his pay — or \$1,200 — annually to the Plan.

	Savings before taxes	Savings after taxes
Annual Pay	\$30,000	\$30,000
Annual before-tax contribution	-1,200	0
Taxable income	28,800	30,000
Taxes *	-2,980	-3,160
After-tax savings	0	-1,200
Pay after savings	25,820	25,640

The difference: In both cases, James is saving \$1,200 but by saving before-tax dollars through the Plan, his pay after tax is \$180 higher.

Your before-tax contributions will be separately maintained in your 401(k) account.

After-tax contributions

The Plan does not permit employee after-tax contributions, but it did permit them before January 1, 1996. If you made after-tax contributions to the Plan, then those amounts and earnings thereon are held in your after-tax contribution account.

Changing your contribution

You can change the amount you contribute to the Plan at any time. Simply call the Wells Fargo Benefits Helpline at 1-888-245-9798 or log on to Wells Fargo website at <http://retirementplan.wellsfargo.com>. Your change will generally be effective within the next two pay periods.

Rollovers

If you were previously employed elsewhere and are eligible to receive a distribution from that employer's retirement program, you may be able to "roll over" that amount into Denny's 401(k) Plan within 60 days of the date you receive your distribution. You may not roll over any after-tax contributions.

Before doing so, you may want to discuss your situation with your tax advisor. To request a rollover form, call the Wells Fargo Benefits Helpline at 1-888-245-9798.

If you make a rollover contribution into the Plan, then that contribution and earnings thereon are maintained in your rollover account.

Matching contributions

If you are not a highly compensated employee (as defined by the Plan for this purpose) then you will be eligible to share in any matching contribution that is made by Denny's as long as you have worked at Denny's for six months and you are making your own 401(k) contributions into the Plan.

Currently Denny's intends to make a matching contribution equal to 100% of the first 3% that an eligible employee defers into his or her 401(k) account each pay period. Denny's matching contribution is based upon eligible pay (see page 7).

Matching contributions and earnings thereon are held in your matching contribution account.

After-tax matching contributions

If you made after-tax contributions before January 1, 1996, you also may have received after-tax matching contributions. After-tax matching contributions and earnings thereon are maintained in your after-tax matching contribution account.

Vesting

Vesting is the term that refers to the portion of your account that belongs to you and cannot be forfeited by you or taken away from you. You are always 100% vested in your 401(k), after-tax and rollover accounts.

Your vested interest in your matching contribution account depends on the number of years of vesting service that you have completed with Denny's. As of any date, the vested portion in your matching contribution account will be based upon the following table:

<u>Years of Service</u>	<u>Vested Percentage</u>
Under 3	0%
3 or more	100%

Regardless of this schedule, you will become 100% vested in your matching contribution account if any of the following occurs while you're still employed with Denny's:

- You become disabled (as defined by the Plan), or
- You die.

You are credited with one year of vesting service for each full 12-month period of your employment with Denny's, subject to certain break in service rules.

Forfeitures

If you terminate employment before you are 100% vested in your matching contribution account, the nonvested portion of this account will be forfeited on the earlier of the following events:

- (1) the date you are paid the entire vested balance of your account, or
- (2) if your entire account balance has not been distributed to you, the date you incur five consecutive breaks in service.

If you received a distribution and are later reemployed, you may be able to repay the distribution and have the forfeited amount returned to your account. If you are affected by this rule, the Plan Administrator will notify you.

Forfeitures are used to offset future matching contributions to the Plan and to pay Plan expenses.

Breaks in service

A break in service generally occurs when you do not work for Denny's at any time during the 12-month period beginning on the date you quit, retire or terminate employment, or on the first anniversary of your absence from employment with Denny's for any other reason. Special rules apply if you are absent from work due to maternity or paternity leave. A break in service continues until you are rehired.

If you leave employment with Denny's at a time while you are 0% vested in your matching contribution account, you will lose your prior years of vesting service credits if your break in service lasts for five or more years.

A break in service does not occur while you are on an authorized leave in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 (USERRA).

The rules related to vesting and forfeitures can be very complex when you incur a break in service. Contact the Denny's Retirement and Savings Department at 1-864-597-8000 if you have any questions.

Definition of eligible pay

For purposes of this Plan, your eligible pay is equal to the amount reported on your Form W-2 as taxable income plus any before-tax contributions used to fund your 401(k) account or to pay for benefits under a cafeteria plan. However, the following types of compensation are not considered eligible pay for purposes of computing Plan benefits:

- Severance pay,
- Moving or relocation expenses,
- Gross-up pay for taxable reimbursements,
- Hiring bonuses,
- Imputed income,
- Compensation resulting from participation in the company stock option plan,
- Overseas pay,
- Cost of living differentials,
- Any non-cash compensation,
- Any amount paid during the plan year while you are not an active participant in the Plan, and
- Any compensation in excess of IRS limitations. For 2007, that limit is \$225,000. This amount is adjusted by the IRS based on changes in the cost of living.

INVESTING IN THE PLAN

The Plan is intended to be a Section 404(c) plan under the Employee Retirement Income Security Act ("ERISA"), which means that fiduciaries of the Plan may be relieved of liability for any losses to your account that occur as a direct and necessary result of

investment in the Plan's investment options, as directed by you or your beneficiary. You have the flexibility (and responsibility) to choose among the broad range of investment options provided under the Plan in a way that best meets your objectives. The purpose of this section of the Summary Plan Description and related materials in your enrollment kit is to provide you with information and guidelines to allow you to make informed decisions about how to invest your assets in the Plan.

Your investment choices

The Plan offers you a wide variety of funds in which to invest your accounts. Each fund offers a different level of risk and potential return. You can place 100% of your money into one fund or spread your money across several funds in increments as small as 1%. Just be sure your total investment allocations add up to 100%. If you do not tell Wells Fargo how you'd like your account invested then your accounts will be automatically invested in the Denny's Moderate Model Portfolio.

Wells Fargo will provide you with information about your fund options. Read about each option carefully and make your investment decisions based on your personal investment style.

Investment growth

Investment earnings include interest, dividends and market gains/losses resulting from your investments in any of the Plan's funds. Returns you may earn on your investments are continually reinvested in the funds you have chosen.

Although there is no guarantee of investment return, the money in the Plan is invested by professional fund managers. Your account will share in any gains or losses that are produced by the investments that these fund managers select.

Investment responsibility

You choose how to invest your money in the Plan. The Trustee will follow your investment directions without reviewing your investment decisions. The Plan Sponsor, Denny's, Inc., Wells Fargo and the Denny's Retirement Plan Committee are not responsible or liable for the investment choices you make or investment losses that are the direct and necessary result of your investment choices.

Changing your investment mix

You can change your investment choices at any time. This means you can change your fund choices for future contributions and you can transfer your existing account balances from one fund to another.

To make changes, call the Wells Fargo Benefits Helpline at 1-888-245-9798 or log on to Wells Fargo website at <http://retirementplan.wellsfargo.com>. If you complete your change before 4 p.m. Eastern Time on any business day, it will generally be effective that

same day. If your change is completed after 4 p.m. Eastern Time, it will be effective on the next business day.

Tracking your investments

You can check the rates of return on your investments at any time by calling the Wells Fargo Benefits Helpline at 1-888-245-9798 or by logging on to Wells Fargo website at <http://retirementplan.wellsfargo.com>. Plus, each quarter you'll receive a statement that shows:

- Your 401(k) account balance
- Your matching contribution account balance
- Your rollover account balance (if applicable)
- A summary of your quarterly account activity
- Fund performance information.

Investing Wisely

Before you make your investment choices, it is a good idea to devise a strategy that will help you reach your personal financial goals. Here are some tips:

Diversify. By spreading your investments among a variety of funds, you can help protect your savings from the ups and downs of the market.

Avoid playing the market. “Buy low and sell high” is for stock market professionals. A better strategy is to buy and hold. Stick with your investments as long as they fit your investment strategy.

Keep your cool. Your investments will go up and down over time. When they go down, it's tempting to panic and change your investment strategy. But it's usually smarter to choose a strategy and stick with it.

Don't play it too safe. People are often concerned about the risk of losing money. But investing too conservatively also has risk — the risk that returns won't keep up with inflation.

Additional information

You may obtain the following information about each investment option upon request:

- A description of the annual operating expenses of each investment fund available under the Plan, such as investment management fees, administrative fees, and transaction costs (if applicable), along with the aggregate amount of such expenses expressed as a percentage of average net assets of each option. Such expenses reduce the rate of return on your investment.

- Copies of additional updated prospectuses, financial statements and reports relating to the Plan's investment funds.
- A list of the assets comprising the portfolio of each investment fund and the value of such assets.
- The name of the issuer of any fixed rate investment contract (e.g., GIC or BIC) along with the term of such contract and the rate of return on that contract offered as an investment fund.
- Information about the value of shares or units in the investment funds as well as the past and current investment performance of each investment fund, net of expenses.
- Information about the value of shares or units held in your account.

You may obtain any of the above information by calling the Wells Fargo Benefits Helpline at 1-888-245-9798 or by logging on to the Wells Fargo website at <http://retirementplan.wellsfargo.com>.

WITHDRAWALS - ACCESSING YOUR MONEY WHILE STILL EMPLOYED

Under certain circumstances, you may be allowed to withdraw money from your account while you're still working for Denny's. There is a \$25 fee for all plan withdrawals.

Rollover contribution withdrawals

If you made a rollover contribution to the Plan, you can withdraw 100% of your rollover account at any time. However, if you withdraw your rollover contributions or their earnings before you reach age 59½ and you are not disabled, you will be required to pay a 10% early withdrawal tax penalty, plus regular income taxes, unless you roll your contributions over to another eligible retirement plan or IRA.

After-tax contribution withdrawals

If you made after-tax contributions to the Plan before 1996, you can withdraw 100% of your after-tax contribution account at any time. However, any after-tax contribution account withdrawal that you request will come from both after-tax contributions and earnings thereon. The portion that is attributable to earnings on after-tax contributions will be taxable to you unless you request that the amount be rolled over to an IRA or another eligible retirement plan. Taxable amounts that are distributed to you from a retirement plan before you reach age 59½ are generally subject to the 10% early withdrawal tax penalty.

After-tax matching contribution withdrawals

If you have an after-tax matching contribution account in the Plan, you can withdraw 100% of that account at any time. However, if you withdraw your after-tax matching contributions or their earnings before you reach age 59½ and you are not disabled, you will be required to pay a 10% early withdrawal tax penalty, plus regular income taxes, unless you roll this distribution over to another eligible retirement plan or IRA.

After-tax matching contributions were employer contributions made to your account if you made after-tax contributions before 1996. If you have an after-tax matching contribution account you should be aware that you do not have any tax basis in that account. All distributions from this account are taxable unless rolled over.

After age 59½ withdrawals

You can withdraw all or part of your vested account after you reach age 59½, even if you continue to work for Denny's. Although you will pay regular income taxes on the taxable portion of any withdrawal or distribution that you take from the Plan after you reach age 59½, these amounts are not subject to the 10% early withdrawal tax penalty.

No withdrawal that you request from the Plan after you reach age 59½ will be subject to hardship withdrawal restrictions.

Hardship withdrawals – Access before age 59½

In order to encourage 401(k) contributions to be used for retirement savings, IRS rules require the Plan to limit access to your 401(k) account while you are still employed with Denny's. In order to get an in-service withdrawal from the Plan, you must either:

- reach age 59½, or
- incur a financial hardship.

IRS rules further require that you must first exhaust all of your other financial resources before a hardship withdrawal is available to you. For purposes of applying for a hardship withdrawal under this Plan, you must first take all withdrawals available to you from the following accounts:

1. Your after-tax contribution account, if you have one.
2. Your rollover account, if you have one.
3. Your after-tax matching contribution account, if you have one.

Generally, any hardship withdrawal that you receive will be subject to regular income taxes and a 10% early withdrawal tax penalty on the full amount of the distribution.

You may be eligible to take a hardship withdrawal for the following reasons:

- Purchase (excluding mortgage payments) of your principal residence
- Prevention of a foreclosure on or eviction from your principal residence
- College tuition, fees and expenses, such as room and board, for you, your named plan beneficiary, or a dependent (for up to 12 months)
- Certain medical expenses for you, your named plan beneficiary, or a dependent, that are not covered by insurance
- Funeral expenses for an immediate family member or named plan beneficiary

- To make repairs to your principal residence caused by a natural disaster, such as tornado or hurricane damage.

IRS rules provide that a hardship withdrawal is limited to the amount required to meet your immediate financial need. This includes amounts needed to pay related income taxes and penalties resulting from the withdrawal.

If you qualify for a hardship withdrawal, any money that you have in an account listed below is available to satisfy your request. The first account listed will be exhausted before any money is taken from the second account, and so on:

1. The amount of your 401(k) contribution account that is attributable to contributions (earnings on your 401(k) account are not available for hardship withdrawal).
2. The vested portion of your matching contributions account, including earnings.

If you receive a hardship withdrawal, you will be prohibited from making 401(k) contributions to the Plan for a period of six months. The Plan will not approve more than one hardship withdrawal in a calendar quarter.

Hardship withdrawals cannot be rolled over to an IRA or another eligible retirement plan.

To request a withdrawal, call the Wells Fargo Benefits Helpline at 1-888-245-9798 or log on to Wells Fargo website at <http://retirementplan.wellsfargo.com>.

DISTRIBUTIONS – POST EMPLOYMENT ACCESS TO YOUR ACCOUNT

Regardless of your age, you can get the entire vested portion of your total account in Denny's 401(k) Plan after your employment with Denny's ends. However, certain tax rules apply to distributions that occur after you have attained a specific age. You should be aware of these rules because knowing them may help you maximize your distribution and minimize your taxes.

Except for amounts attributable to after-tax contributions, any distribution that you take from the Plan will be subject to federal income tax unless you roll over your distribution (see the Rollover section). Depending on your state of residence, your distribution may also be subject to state income tax.

Before age 55

Although there are some exceptions, most distributions that are made to a participant before age 55 are subject to a 10% early withdrawal tax penalty. This penalty is assessed when you file your tax return.

Age 55 or after

If you remain employed with Denny's until you reach age 55 and then terminate employment, you can get a distribution of your entire vested account balance and avoid the 10% early withdrawal tax penalty.

If you wait until age 59½ to take your distribution

If you wait until age 59½ to take your money out of the Plan, no distribution that you receive will be subject to the 10% early withdrawal penalty.

Age 70½

Tax rules require that, unless you are still employed by Denny's when you reach age 70½, you must begin taking **required minimum distributions** from the Plan. Your distributions must begin by April 1 of the year following the year in which you attain age 70½. Because the IRS imposes a significant tax penalty for failing to take this distribution, we suggest that you consult a tax advisor to help you determine the amount of your required minimum distribution. A required minimum distribution is:

- not subject to the 10% early withdrawal tax penalty;
- not available to be rolled over to an IRA or other eligible retirement plan; and
- not subject to the 20% mandatory federal income tax withholding rule.

If you are still employed by Denny's after you reach age 70½, you generally are not required to begin taking your minimum distribution until April 1 of the year following the year in which you retire.

Deferring your distribution after you leave Denny's

If your account balance is more than \$5,000 when you retire or otherwise terminate employment with Denny's, you can delay taking your money out of the Plan until the date of your required minimum distribution (see the Age 70½ section).

If you become disabled

If you are totally and permanently disabled, then your entire account balance is available to you. Under terms of the Plan, you are considered to be disabled if you are eligible for disability benefits payable from the Social Security Administration.

If you die

If you die while you are a participant in the Plan, your entire account balance will be paid to your beneficiary.

Payment options

You (or your beneficiary) will select the form of distribution of your vested account balance. You may choose between:

- Receiving a single lump sum payment of your entire vested account balance, or
- Rolling your distribution over to another eligible retirement plan or IRA. The tax rules applicable to rollovers by a beneficiary are too complex to fully address in this SPD. We suggest that your beneficiary consult a professional tax advisor some time before the last day of the year following the participant's death to review the options available.

If your account balance is \$5,000 or less, not including any rollover amount, your benefits will automatically be distributed from the Plan after your employment ends. You will be given the opportunity to decide whether you want this automatic distribution to be paid directly to you (with applicable federal and state income tax withheld), or rolled over into an IRA or another eligible retirement plan. If you do not make a selection, the Plan will process an automatic distribution of your account in accordance with the following:

- Accounts that are \$1,000 or less, including any rollover amount, will be distributed to you in cash, less required federal and state income tax withholding.
- Automatic distributions that are \$1,000 or more will be rolled over to an IRA for your benefit. The IRA will be provided by Wells Fargo.

Rollovers

In most cases, you can roll over the taxable portion of your distribution into an IRA. If you leave Denny's and go to work for a new employer, you may be able to roll your entire distribution into your new employer's eligible retirement plan, assuming that your new employer's plan is designed to accept rollovers. You will not have to pay taxes or penalties on your rollover amount until you withdraw it from the IRA or other eligible retirement plan.

There are two ways to roll your distribution over into an IRA or another eligible retirement plan. One method is to take your distribution in cash and then contribute it to the IRA or eligible retirement plan within 60 days of the original distribution. However, there is a drawback to this method. When you take a distribution in cash, the Trustee is required to withhold 20% of the distribution to pay federal income taxes. This might leave you in the position of not having funds available to roll over an amount equal to your total taxable distribution. If the amount you roll over is less than the total amount of your distribution, you will be taxed (and possibly owe a 10% early withdrawal tax penalty) on the difference.

A better method may be to elect a “direct rollover,” in which the Trustee of this Plan pays the amount directly to the trustee or custodian of the IRA or eligible retirement plan. Either way, the amount rolled over escapes current federal income taxation, but only the direct rollover allows you to avoid certain federal tax withholding requirements.

Taxes on distributions

Special tax treatment, such as rollovers, may be available to you in certain situations at the time of your distribution from the Plan. All taxable distributions from the Plan that are not transferred as a direct rollover to another eligible retirement plan or IRA are subject to mandatory 20% federal income tax withholding and may be subject to state income tax withholding. This is not intended to be a complete or thorough discussion of the tax effects of receiving distributions or withdrawals from the Plan and should not be relied on as such. See your tax advisor for more information.

PARTICIPANT LOANS

The Plan is designed for long-term savings. However, once you start contributing to the Plan, your account may be a source from which to borrow to meet short-term financial needs.

When and how to request a loan

If you request a loan from the Plan, you will actually be applying for approval to borrow against the amount of money held in your Plan account. You can request a loan simply by calling the Benefits Helpline at 1-888-245-9798 or logging on to the Wells Fargo website at <http://retirementplan.wellsfargo.com>.

The amount you can borrow

You may have only one Plan loan outstanding at any one time, and it must meet the following requirements:

- the original amount of the loan must be at least \$1,000;
- you may not borrow more than half of your vested account balance, up to a maximum loan amount of \$50,000, reduced by your highest outstanding loan balance during the previous 12-month period.

The amount you can borrow is based on the value of your Plan account as of the day your loan application is approved. Because one-half of your vested account balance will be used to secure your loan, you cannot withdraw any part of your account balance needed to secure your loan.

The loan interest rate

The interest rate is comparable to rates charged by commercial lending institutions at the time the loan is made. The rate established when you make the loan is fixed for the duration of the loan.

Loan repayment

All loans must be repaid within five years (60 months). You will make repayments by regular payroll deductions. Payments will be credited to your account. If you fail to make a loan payment within the time period specified by the terms of your loan, it will be in default. In the year of the default, the outstanding amount of your loan will be reported as a taxable distribution to you.

If you have an outstanding loan and request a withdrawal

If you have an outstanding Plan loan and request a distribution of the full value of your vested account balance, the outstanding loan amount, including interest, will be subtracted from your distribution amount. Regular income taxes (and, if you're not yet 59½, the 10% early withdrawal tax penalty) will then be due on the unpaid balance of your loan, including interest, as well as on the amount of your withdrawal.

If you terminate employment

If your employment with Denny's ends for any reason, your outstanding loan balance, including interest, is due and payable. You must repay the loan in full at that time. If you fail to repay the loan in full upon termination of employment, death, disability or retirement, your account balance will be reduced by the outstanding loan amount. The unpaid balance of the loan will be reported as a taxable distribution for the year in which you first fail to make repayment.

Paying loan expenses

You will be required to pay a loan set-up fee of \$50 each time you borrow from your account.

KEEPING UP WITH YOUR ACCOUNT

You can stay informed about your account in a variety of ways.

Wells Fargo Benefits Helpline

Access your account anytime by calling the Wells Fargo Benefits Helpline. All you need are your Social Security number, your PIN and a touchtone phone. Simply dial 1-888-245-9798 and follow the voice prompts. Here's a guide to your options:

Press 1 for personal account information.

Press 3 for investment performance information.
Press 4 for general information.
Press 5 to request printed information.
Press 6 to change your PIN.
Press 7 to repeat any information.
Press 8 to return to the previous menu.
Press 9 to return to the main menu.
Press * to speak to a customer service representative.

(Representatives are available Monday through Friday, 8 am to 11 pm Eastern Time).

Wells Fargo website

If you'd rather access your account through the Internet, you can log on to the Wells Fargo website. Open your web browser and type <http://retirementplan.wellsfargo.com> on your Internet access line. When the Wells Fargo website site comes up, type in your Social Security number and PIN and follow the prompts.

Your PIN

Your personal identification number, or PIN, is the key to accessing your account information through the Wells Fargo Benefits Helpline or Wells Fargo website. The first time you use the Helpline or Wells Fargo website, your temporary PIN will be your birth date. For example, if you were born on March 12, 1968, your temporary PIN will be 031268. You can change your PIN at any time either on the website or by calling the Wells Fargo Benefits Helpline.

Quarterly statements

Once each quarter, a statement will be mailed to your home address (based on the address of record with Wells Fargo). Your statement will show your account balance and a summary of account activity by account type. It will also show fund performance information. You may elect to receive your statements electronically instead of by mail.

YOU'RE CONNECTED —ANYTIME

Here's what you can do when you call the Wells Fargo Benefits Helpline or log on to the Wells Fargo website:

- Enroll in the 401(k) account and begin making before-tax contributions
- Check balances in all of your accounts
- Change your 401(k) contribution amount
- Change your investment choices or transfer money between funds
- Check fund performance
- Change your PIN
- Use the interactive retirement planning tool (Wells Fargo website only).

Legal limits

The IRS limits the amount of annual contributions that can be made to your account. Although we do not anticipate this occurring, if the total of your Plan contributions exceeds this limit, the Plan Administrator will adjust your account to comply with the limits.

The Internal Revenue Code also contains nondiscrimination requirements that the Plan must satisfy. Some of these requirements may also affect the total amount contributed to your account in any one year, and some requirements may cause you to vest at an earlier date. The Plan Administrator will notify you if any of these rules affect your contribution amounts or vested account balance.

Claiming benefits

If you're entitled to a distribution, you must submit an application. Contact the Wells Fargo Benefits Helpline or website to request the necessary forms. If your claim is approved, you'll receive your distribution as soon as administratively possible.

Plan amendment and termination

Although Denny's expects to maintain the Plan indefinitely, the Plan Sponsor reserves the right to amend, suspend or end the Plan at any time and for any reason. If the Plan is terminated, you'll receive your full account balance, after any Plan expenses have been paid, as soon as administratively possible.

After all the Plan assets have been distributed to participants and beneficiaries, the Trustee has no more responsibilities under the Plan, and neither you nor your beneficiary has any further claim to the trust fund for the Plan.

No amendment can be made that would reduce the benefit of any employee or divert any part of the trust fund for purposes other than the exclusive benefit of the participants and their beneficiaries.

The Denny's 401(k) Plan is subject to the continuing approval of the IRS, and it may be amended to comply with future regulations or other applicable guidance. The Plan is not insured by any private or federal program.

Non-assignment of benefits

You may not borrow from or against your interest in the Plan. Your interest in the Plan cannot be sold, assigned or transferred prior to the distribution of your account to you. The only exception to this rule is in the case of certain court orders issued in connection with a domestic relations order.

Qualified Domestic Relations Order (QDRO)

Ordinarily, your benefits from the Plan are yours to keep once they are vested. But in the case of a Qualified Domestic Relations Order (QDRO), your Plan account may be assigned to another party.

A QDRO is a legal judgment, decree or other order that recognizes the rights of another individual under the Plan with respect to a child or other dependent support, alimony or marital property rights. In the event of a QDRO, benefits under the Plan may be payable to someone other than you or your designated beneficiary to satisfy a legal obligation that you may have to a spouse, former spouse, child or other dependent. Your Plan benefits will be reduced by the benefits payable to someone else under a QDRO.

A domestic relations order must meet specific requirements in order to be recognized by the Plan Administrator as a QDRO. The Plan Administrator will review your domestic relations order to determine if it is a QDRO. It is your responsibility to provide the domestic relations order in writing to the Plan Administrator.

For a free copy of the procedures for administering a Qualified Domestic Relations Order, contact the Plan Administrator.

Top-heavy provisions

The Internal Revenue Code describes a top-heavy plan as one where more than 60% of the Plan's assets are attributable to the accounts of owners, officers, shareholders or other highly compensated participants.

In the unlikely event that it is determined that the Plan ever becomes top-heavy, then certain administrative rules will apply. Generally, this means that the Plan will be administered in the same way it is administered in years when it is not top-heavy, except that a minimum allocation of Denny's contributions of up to 3% of eligible pay may be required for certain participants. This 3% contribution may be adjusted in accordance with special rules that may apply in any particular plan year. This minimum allocation may be required even if you might not otherwise be entitled to an allocation. You must be employed on the last day of the plan year in order to receive this minimum allocation.

OTHER INFORMATION

Your rights under ERISA

As a participant in the Denny's 401(k) Plan, you are entitled to certain rights and protections under the Employee Retirement Income Security Act of 1974 (ERISA). ERISA provides that all Plan participants are entitled to:

Receive information about your Plan benefit

- You may examine, without charge, at Denny's main office, all documents governing the Plan and a copy of the Plan's latest annual report (Form 5500 series) filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration
- You may obtain, upon written request to the Plan Administrator, copies of all documents governing the operation of the Plan, including the latest annual report (Form 5500 series) and updated Summary Plan Description. The Plan Administrator may make a reasonable charge for the copies.
- You will receive a written summary of the Plan's annual financial report. The Plan Administrator is required by law to furnish you a copy of this summary annual report.
- You have a right to obtain a statement telling you whether you have a right to receive benefits at normal retirement age (age 65 with three years of service), and if so, what your benefits would be if you stop working for Denny's now. If you do not have a right to a benefit, the statement will tell you how many more years you have to work to get a right to a benefit. This statement must be requested in writing and is not required to be given more than once every 12 months. There is no charge for this statement. In addition, you'll receive quarterly statements that include your current Plan account balances, plus a summary of account activity for the quarter.

Prudent actions by plan fiduciaries

In addition to creating rights for Plan participants, ERISA imposes duties on the people who are responsible for the operation of the Plan. The people who operate your Plan, called fiduciaries of the Plan, have a duty to do so prudently and in the interest of you and other Plan participants and beneficiaries.

No one, including Denny's or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

Enforce your rights

If your claim for a benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of the Plan documents or the latest annual report from the Plan and do not receive them within 30 days, you may file suit in a federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to \$110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If you have a claim for benefits that is denied or ignored, in whole or in part, you may file suit in a state or federal court. In

addition, if you disagree with the Plan's decision or lack thereof concerning the qualified status of a domestic relations order, you may file suit in a federal court. If it should happen that Plan fiduciaries misuse the Plan's money, or if you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

Assistance with questions

If you have questions about your Plan, you should contact the Denny's Retirement and Savings Department or call Wells Fargo's toll-free number or access its website. If you have questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, Department of Labor, listed in your telephone director, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities by calling the publications hotline of the Employee Benefits Security Administration.

Plan insurance

Benefits under the Plan are not insured by the Pension Benefit Guaranty Corporation (PBGC) because Congress does not provide plan termination insurance for plans of this type. This is a defined contribution retirement plan, which provides participants with the full value of their vested account balances as their benefits.

CLAIMS PROCEDURE

This claims procedure is designed to provide you and your beneficiary with a simple way of presenting claims for benefits and to obtain review of any decision denying benefits.

You will present claims to Wells Fargo by calling the Trustee's toll-free number or accessing its website. The responsibility for filing a benefit claim is yours or your beneficiary's.

Generally, if your claim is denied you will receive a written notice within 90 days after the date you filed your claim. If the Plan Administrator determines that an extension of time for processing your claim is required, it will provide you with a notice of the extension before the end of the initial 90-day period, and the extension will not exceed 90 days from the end of the initial period. Any notice of extension must explain the special circumstances that require the extension and the date by which the Plan Administrator expects to make a decision.

If all or part of your claim is denied, the notice will include the following:

- The specific reason(s) for the denial.
- Reference to pertinent Plan provisions on which the denial is based.
- A description of any additional material or information necessary to complete your claim and an explanation of why such material or information is necessary.
- An explanation of the claims review procedures and time limits applicable to such procedures, including a statement of your right to bring a civil action under Section 502(a) of ERISA.

The notice will be sent to your last address as shown on the Plan's records.

If all or part of your claim is denied, you may make a written request for review of your claim. Your written request, including a written statement of the reasons why you believe your claim should be allowed, should be sent to the Denny's Retirement Plan Committee within 60 days after you receive notice of the denial. Otherwise, your appeal will not be considered.

If you request a review of your claim in a timely fashion, the Retirement Plan Committee will permit you or your representative to review, upon request and free of charge, copies of all documents, records and other information relevant to the denial, and to submit written comments, documents, records and other information relevant to the claim to the Retirement Plan Committee. The review will take into account all comments, documents, records and other information that you submit, without regard to whether such information was submitted or considered in the initial benefits determination.

The Retirement Plan Committee will give you its final decision on your appeal within 60 days after receiving your appeal, unless there has been an extension of 60 days due to special circumstances. You will be notified in advance of any extension.

If the Retirement Plan Committee determines after review that your benefit claim should be either wholly or partially denied, you will be given a written notice of the denial containing the following information:

- The specific reason(s) for the denial.
- Reference to pertinent Plan provisions on which the denial is based.
- A statement that you are entitled to receive, upon request and free of charge, reasonable access to and copies of all documents, records and other information relevant to your claim for benefits.
- A statement of your right to bring a civil action under Section 502(a) of ERISA.

The Retirement Plan Committee's decision will be final. You may not bring any legal action relating to a claim for benefits under the Plan unless and until you have followed the claims procedures and exhausted your administrative remedies under these procedures.

SUMMARY OF PLAN INFORMATION

Plan Name: Denny's 401(k) Plan

Plan Sponsor: Denny's Corporation
203 East Main St., P-5-10
Spartanburg, SC 29319-1565
1-864-597-8000

Federal ID Number: 13-3487402

Plan Number: 009

Plan Administrator: Denny's Retirement Plan Committee
203 East Main St., P-5-10
Spartanburg, SC 29319-1565
1-864-597-8000

Trustee: Wells Fargo Bank, N.A.
N9309-050 MAC
510 Marquette Building, Ste. 500
Minneapolis, MN 55402

Plan Year: January 1 – December 31

Source of Contributions: Contributions to the Plan are made by participants and Denny's.

Legal process agent: Chief Legal Counsel
Denny's Corporation
203 East Main St., P-12-1
Spartanburg, SC 29319-1565
1-864-597-8000

Original effective date: April 25, 1968